

EDUCATION DEBT REDUCTION PROGRAM PROCEDURES

1. REASON FOR ISSUE: This Veterans Health Administration (VHA) Handbook provides specific direction, guidance, and procedures related to the operation of a new educational assistance program at Department of Veterans Affairs (VA) health care facilities; namely, the Education Debt Reduction Program (EDRP). The purpose of EDRP is to assist the VHA in meeting its needs for qualified health care staff in certain occupations for which recruitment or retention is difficult.

2. SUMMARY OF CONTENTS: This Handbook provides comprehensive information about EDRP. It specifies program responsibilities at the employee, facility, Veterans Integrated Service Network (VISN), and VHA Central Office level. It describes other important information such as the eligibility requirements for VA employees to receive educational assistance under EDRP, the application and selection processes for employees, and the funding allocation processes for facilities and VISNs.

3. RELATED DOCUMENTS: VHA Directive 1021, VHA Directive 1020, VHA Handbook 1020.1, VHA Handbook 1020.2.

4. RESPONSIBLE OFFICE: The Health Care Staff Development and Retention Office (HCS德罗/10A2D) is responsible for the contents of this Handbook. Inquiries should be directed to (504) 589-5267.

5. RESCISSIONS: None.

6. RECERTIFICATION: This document is scheduled for recertification on or before the last working day of May 2007.

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Under Secretary for Health

DISTRIBUTION: CO: E-mailed 5/7/2002
FLD: VISN, MA, DO, OC, OCRO, and 200 – E-mailed 5/7/2002

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EDUCATION DEBT REDUCTION PROGRAM PROCEDURES

1. PURPOSE

The Education Debt Reduction Program (EDRP) enhances recruitment and retention of health professionals that are required to meet the staffing needs of the Veterans Health Administration (VHA). This VHA Handbook provides specific direction and guidance for administration of EDRP at VHA field facilities.

2. AUTHORITY

a. The Department of Veterans Affairs (VA) Education Debt Reduction Program (EDRP) is codified in Title 38, United States Code (U.S.C.), Sections 7681 to 7683.

b. This authority permits VA to provide education debt reduction payments to employees with qualifying loans who occupy positions providing direct-patient care services or services incident to direct-patient care services for which recruitment and retention of qualified personnel is difficult. For the purposes of this program, these positions are limited to the following:

- (1) Physician,
- (2) Dentist,
- (3) Podiatrist,
- (4) Pharmacist,
- (5) Licensed practical and/or vocational nurse,
- (6) Expanded-function dental auxiliary,
- (7) Registered nurse,
- (8) Certified registered nurse anesthetist,
- (9) Physician assistant,
- (10) Optometrist,
- (11) Physical therapist,
- (12) Occupational therapist,
- (13) Certified respiratory therapy technician,
- (14) Registered respiratory therapist,

- (15) Psychologist,
- (16) Social worker,
- (17) Nuclear medicine technologist,
- (18) Dietitian,
- (19) Occupational therapy assistant,
- (20) Physical therapy assistant,
- (21) Medical technologist,
- (22) Diagnostic radiologic technologist,
- (23) Therapeutic radiologic technologist,
- (24) Medical instrument technician,
- (25) Pharmacy technician,
- (26) Audiologist,
- (27) Speech pathologist,
- (28) Orthotist or prosthetist,
- (29) Medical records administrator and specialist,
- (30) Prosthetic representative,
- (31) Medical records technician, and
- (32) Biomedical engineer.

c. Education debt reduction payments may cover tuition costs, other reasonable educational expenses including the cost of books, general fees and laboratory fees and other reasonable living expenses. **NOTE:** *Though the scope of the authority contained in EDRP is substantial, it does have limitations. Details of this authority are described and exemplified in the following paragraphs.*

3. BACKGROUND

Over the years, VA has experienced many difficulties in competing with private sector organizations for scarce health care staff. Some of these difficulties affect the system at large, while the impact from others is at regional or community levels. VA's health care system has undertaken the most significant transformation in its history; i.e., the transition from a hospital,

bed-based system to an ambulatory care-based system with primary care as the focus of patient treatment in both outpatient and inpatient settings. The key goal that underlies VA's transformation, and continues to drive its strategies for the future, is a quest for health care value. The success of this transition depends, in part, on achieving an appropriate level and mix of quality health care staff. Educational assistance, such as that afforded under EDRP, is an excellent tool that can help VA achieve its staffing goals and, thereby, enhance the value of health care that it provides to the nation's veterans.

4. RESPONSIBILITY

a. **Health Care Staff Development and Retention Office (HCSDRO) Responsibility.** The Director, HCSDRO, is responsible for national implementation and management of EDRP. This includes:

- (1) Publishing and maintaining directives, handbooks, and supporting documentation.
- (2) Allocating funds to facilities and Veterans Integrated Service Networks (VISNs).
- (3) Executing EDRP Acceptance of Conditions forms for participants.
- (4) Monitoring facility and VISN compliance with applicable directives.
- (5) Evaluating program progress and effectiveness to be used in the preparation of annual reports for the Under Secretary for Health.
- (6) Providing program guidance to local facilities and VISNs.

b. **Facility Responsibility**

(1) **Facility Director.** The facility Director is responsible for local-level EDRP implementation and management consistent with VA and VHA directives. More specifically, the facility Director is responsible for:

- (a) Ensuring that local policies and procedures related to this Directive are developed and implemented with involvement and/or negotiation with the exclusive Labor Representatives as appropriate in accordance with this policy, governing labor-management agreements, and applicable law and regulations.
- (b) Identifying a Program Coordinator and establishing a selection committee.
- (c) Publishing an open continuous announcement about educational assistance opportunities under EDRP.
- (d) Forwarding the applications of candidates that are recommended for program participation to HCSDRO.
- (e) Notifying candidates who have been approved for funding after HCSDRO allocates funds to the requesting facility.

(f) Ensuring that program participants maintain an acceptable level of performance prior to authorizing debt reduction payments.

(g) Returning allocated funds to HCSDRO for those participants who fail to meet all program requirements.

(h) Ensuring that there is appropriate documentation to support EDRP payments to local facility participants.

(2) **Program Coordinator.** The program coordinator is responsible for:

(a) Implementing EDRP locally.

(b) Maintaining and providing EDRP application packages.

(c) Ensuring educational programs completed by applicants meet required qualification standards.

(d) Providing assistance and guidance to employees during the application process.

(e) Compiling relevant funding information from applicants to prepare the funding requests.

(f) Processing official program Acceptance of Conditions forms and forwarding them to HCSDRO for signature.

(g) Coordinating with other appropriate services such as Human Resources Management and Financial Management.

(h) Obtaining a copy of the loan instrument(s) to validate the applicant's indebtedness.

(i) Obtaining copies of documents to substantiate that EDRP participants made payments of principal and interest on qualifying loans during each service period for which an award is authorized.

(3) **Selection Committee.** It is the responsibility of the Selection Committee to:

(a) Define and publish local selection criteria.

(b) Review and evaluate applications.

(c) Make preliminary selections of applicants.

(d) Prioritize and recommend preliminary applicant selections to the facility Director (based on the priority levels defined in this Handbook and the individual facility's staffing needs).

(4) **Applicant or Participant.** It is the responsibility of the applicant to:

- (a) Complete an EDRP application.
- (b) Submit the completed application to the Program Coordinator.
- (c) Sign an Acceptance of Conditions form.
- (d) Satisfy all requirements specified in the Acceptance of Conditions form.
- (e) Maintain an acceptable level of performance in the position held.
- (f) Provide a copy of the loan instrument(s) and payment records in order to validate the indebtedness and justify the EDRP payments for each service period covered under an EDRP Acceptance of Conditions form.

(5) **Human Resources Management Service.** Human Resources Management Service must maintain a copy of the executed Acceptance of Conditions form in the employee's official personnel folder.

(6) **Financial Management Service.** Financial Management Service must:

- (a) Maintain a copy of the executed Acceptance of Conditions form in the appropriate file.
- (b) Verify and validate loan documentation and payment records.
- (c) Make payments to program participants in accordance with applicable policy and guidance.

5. ELIGIBILITY

a. An employee must meet specific eligibility requirements to participate in EDRP. To be eligible for participation, the individual:

- (1) Must be a recently appointed VHA employee serving in one of the following positions:
 - (a) Physician,
 - (b) Dentist,
 - (c) Podiatrist,
 - (d) Pharmacist,
 - (e) Licensed practical and/or vocational nurse,
 - (f) Expanded-function dental auxiliary,
 - (g) Registered nurse,

- (h) Certified registered nurse anesthetist,
- (i) Physician assistant,
- (j) Optometrist,
- (k) Physical therapist,
- (l) Occupational therapist,
- (m) Certified respiratory therapy technician,
- (n) Registered respiratory therapist,
- (o) Psychologist,
- (p) Social worker,
- (q) Nuclear medicine technologist,
- (r) Dietitian,
- (s) Occupational therapy assistant,
- (t) Physical therapy assistant,
- (u) Medical technologist,
- (v) Diagnostic radiologic technologist,
- (w) Therapeutic radiologic technologist,
- (x) Medical instrument technician,
- (y) Pharmacy technician,
- (z) Audiologist,
- (aa) Speech pathologist,
- (bb) Orthotist or prosthetist,
- (cc) Medical records administrator and specialist,
- (dd) Prosthetic representative,
- (ee) Medical records technician, and

(ff) Biomedical engineer.

(2) Must owe any amount of principal and interest under a loan, the proceeds of which were used by or on behalf of that individual to pay costs relating to a course of education or training which led to a degree that qualified the individual for a position identified in subparagraph 5a(1).

b. An individual is considered to be recently appointed to a position if the individual has held that position for less than 6 months.

6. TEMPORARY EXPANSION OF INDIVIDUALS ELIGIBLE FOR PARTICIPATION IN EDRP

a. Though participation in EDRP is limited to recently appointed individuals as stated in subparagraph 5a(1) and subparagraph 5(b), the period of eligibility may be temporarily expanded for a VHA employee who meets the following conditions:

(1) The employee must have been serving in one of the following positions on the day before enactment of the VA Health Care Programs Act of 2001:

- (a) Physician,
- (b) Dentist,
- (c) Podiatrist,
- (d) Pharmacist,
- (e) Licensed practical and/or vocational nurse,
- (f) Expanded-function dental auxiliary,
- (g) Registered nurse,
- (h) Certified registered nurse anesthetist,
- (i) Physician assistant,
- (j) Optometrist,
- (k) Physical therapist,
- (l) Occupational therapist,
- (m) Certified respiratory therapy technician, and
- (n) Registered respiratory therapist.

(2) The employee must have been appointed to one of the positions cited in subparagraph 6a(1) between January 1, 1999, and December 31, 2001, and must have been serving in such a position at the time of filing an application for participation in EDRP.

b. This temporary authority will be exercised on a case-by-case basis. Determinations will be based on recommendations from facility Directors and the availability of funds.

c. This temporary authority is not to be exercised after June 30, 2002. **NOTE:** *Employees authorized to participate in EDRP under this temporary authority may complete their service period(s) after June 30, 2002.*

d. Employees who participate in EDRP under this temporary authority are not eligible to receive debt reduction payments for payments of interest and principle that they made prior to the date that they are authorized to begin their service period(s).

7. FUNDING

a. Funding for EDRP is centralized. HCSDRO is responsible for managing the funding process consistent with available funds, overall VHA goals and identified health care staffing needs. Education debt reduction awards are based on the availability of funds and Department need. Debt reduction awards are prioritized to allow as many employees (who have outstanding loans for education or training in specified health care disciplines for which recruitment or retention is difficult) as possible to receive them.

b. Health care facilities and VISNs need to submit the applications of candidates whom they wish to recommend for education debt reduction awards to HCSDRO based on current or anticipated difficulties in filling health care positions covered by EDRP.

c. HCSDRO consummates EDRP Acceptance of Conditions forms throughout a fiscal year. Accordingly, each period of service for a participant will usually include time that involves 2 fiscal years. HCSDRO allocates funds to a facility to cover the full amount of a debt reduction payment to a participant during the fiscal year in which the participant completes a specific period of service covered under an EDRP Acceptance of Conditions form. Typically, a facility receives the funds to cover a participant's service period in advance of the date on which the participant is scheduled to receive a payment. Such funds need to be held in escrow until the facility Director, or designee, verifies that the participant has met all of the conditions to receive the payment, and then the facility Director, or designee, authorizes release of the funds to the employee.

d. Payments will be made at the conclusion of each 12-month service period covered by an EDRP award.

e. Local and national staffing issues must be considered in making effective EDRP funding decisions. Factors affecting funding include, but are not limited to the following:

(1) VISN and/or Facility Issues

(a) VISN and/or facility health care staffing needs (current and anticipated) by priority.

- (b) Workload.
- (c) Length of time it takes to fill vacant positions.
- (d) Current and projected staffing levels.
- (e) Turnover.
- (f) Nature and extent of VISN and/or facility recruitment efforts.
- (g) Academic levels and interest of eligible employees.

(2) **National Issues**

- (a) Current and anticipated national VHA occupational shortages.
- (b) Health care industry staffing trends.
- (c) VHA and VA workforce demographics.
- (d) Top management direction (e.g., program and mission changes).
- (e) Significant changes in standards and requirements affecting employment.

NOTE: *HCSDRO periodically reviews and refines funding criteria consistent with local and VISN needs and overall VHA goals.*

8. ALLOWABLE DEBT REDUCTION EXPENSES

a. An EDRP award may cover certain amounts paid to reduce the balance on qualifying educational loans for:

- (1) Tuition expenses;
- (2) All other reasonable educational expenses, including expenses for general fees, books, and laboratory fees; and
- (3) Reasonable living expenses.

b. An education debt reduction payment may not exceed the actual amount of principal and interest, up to the authorized program limits, that a participant paid to reduce the balance on a qualifying educational loan or loans during a specific period-of-service covered by an EDRP Acceptance of Conditions. Participants must provide appropriate documentation to substantiate any amounts that they paid during a service period to reduce the principal and interest on their loans. Further delineation of the funding limits on EDRP awards is included in Paragraph 9.

c. Educational loans that qualify for coverage under EDRP are limited to Government (Federal, state, local) and commercial loans for health professional education. Additionally, the health professional education covered by such a loan must have qualified the participant for appointment to the position for which the EDRP award was authorized.

d. Some individuals may have consolidated two or more educational loans under a single loan. EDRP only covers loans for education that qualified participants for appointments to specified health positions. Accordingly, applicants who have consolidated their outstanding educational loans must provide documentation to verify the portion of the balances on their consolidated loans that may be covered under EDRP.

9. EDUCATION DEBT REDUCTION PAYMENTS

a. The total amount of debt reduction payments that may be awarded to an employee is limited to \$44,000 for a full-time employee. A program participant may not receive more than five education debt reduction payments. Each debt reduction payment is made at the conclusion of a 12-month service period in a paid status. The first, and in some cases the only, service period begins on the day after an EDRP Acceptance of Conditions form is consummated. The annual amount of debt reduction award that a full-time employee may receive is limited to:

- (1) \$6,000 for the first year of an employee's participation in the program.
- (2) \$8,000 for the second year of an employee's participation in the program.
- (3) \$10,000 for the third year of the employee's participation in the program.
- (4) \$10,000 for the fourth year of the employee's participation in the program.
- (5) \$10,000 for the fifth year of the employee's participation in the program.

b. The maximum education debt reduction award will be increased in direct proportion to the general Federal pay raise for those awards that are obligated in the same fiscal year that the pay increase takes effect. **NOTE:** *The general Federal pay raise does not include locality pay. The maximum education debt reduction award will not be increased in calendar year 2002.*

c. Education debt reduction payments to part-time employees are pro-rated based on the proportion of their regular part-time schedules to full-time employment. For example, the maximum education debt reduction award that could be provided for the first year of participation to an employee whose regular part-time schedule includes 48 hours of duty time per pay period is \$3,600 [$48/80=0.6$, $(0.6)(\$6,000)=\$3,600$]. A part-time participant's work schedule is not to be adjusted during a period covered under an EDRP Acceptance of Conditions without prior approval of HCSDRO.

d. Participants are ineligible to receive debt reduction payments for time that they are in a non-pay status. The time that a participant spends in a non-pay status during a 12-month service period covered under an EDRP Acceptance of Conditions must be made up with paid service before a payment can be made to the participant. Once again, a participant may not receive an education debt reduction payment for a service period covered under an EDRP Acceptance of

Conditions until they have completed 12 months of paid service in the specified duty status for that particular period.

e. If an EDRP award covers two or more service periods, the participant must continuously serve in the position for which the award was authorized until all of the periods of service have been completed. The second service period begins on the day after the first service period ends. Each subsequent service period begins the day after the prior one ends.

f. Participants who do not maintain acceptable levels of performance in the positions covered by their EDRP Acceptance of Conditions forms are not eligible to receive education debt reduction payments. Annual performance or proficiency ratings are used to determine if participants' performance levels are acceptable. A performance rating of fully successful or a proficiency rating of satisfactory constitutes an acceptable level of performance for an EDRP participant. A participant, who receives a performance rating of less than fully successful or a proficiency rating of less than satisfactory during an EDRP service period, will not be eligible to receive an education debt reduction award and will be terminated from the program.

g. Education debt reduction payments are exempt from taxation.

h. An education debt reduction payment must be paid directly to the participant and not to the lending institution.

10. PROGRAM ACCOUNTABILITY

a. EDRP requires significant accountability on the part of each participant. While some key participant responsibilities are specified in subparagraph 4b(4), other important terms and conditions of program participation are described in other paragraphs of this Handbook and in the EDRP Acceptance of Conditions. All participants need to carefully review this material to ensure that they fully understand the nature of the program, its benefits and limitations, and participant responsibilities.

b. Facilities and VISNs are accountable for ensuring that EDRP is implemented and administered at local VHA health care facilities in accordance with applicable law, VHA Directive 1021, this Handbook, and guidance from HCSDRO.

c. HCSDRO is accountable for ensuring that EDRP is administered at the national level consistent with the law, provisions of the VHA Directive 1021, Handbook, and top management direction. HCSDRO is also responsible for providing program guidance to facility and VISN officials.

11. ACADEMIC CURRICULA

Education debt reduction payments under EDRP are limited to those loans that supported the academic curricula leading to participant appointments in the positions listed in subparagraph 5a(1).

12. PROGRAM LENGTH

A participant in the program may not receive education debt reduction payments for more than five consecutive 12-month periods of paid service.

13. RELATIONSHIP OF OTHER EDUCATIONAL ASSISTANCE PROGRAMS

Awards authorized to EDRP participants may be in addition to assistance available to participants under other components of the Educational Assistance Program covered in 38 U.S.C. Chapter 76.

14. PROGRAM COMMENCEMENT DATE

The program commencement date is the day after the date that a participant's EDRP Acceptance of Conditions form is signed by the Under Secretary for Health, or designee.

15. EARLY TERMINATION OF EDRP PARTICIPATION

a. If a program participant vacates the health care professional position for which an education debt reduction award is authorized before completing a 12-month period of paid service under an EDRP Acceptance of Conditions, the payment for that period will be reduced by the amount that equates to the proportion of time that was not served during that period. No payments will be authorized for subsequent periods covered under the Acceptance of Conditions, even if the candidate returns to the position for which the award was authorized.

b. A participant who is separated due to a staffing adjustment before completing a service period covered under an EDRP Acceptance of Conditions must receive a pro-rated payment based on the proportion of time served in a paid duty status to the total time in the service period. No payments are to be authorized for subsequent periods covered under the program.

c. In cases when it is considered to be in the best interest of VA to reassign an employee to a position that is not covered by EDRP, the participant will be entitled to reimbursement as specified in preceding subparagraph 15b.

d. A participant who receives a performance rating of less than fully successful or a proficiency rating of less than satisfactory during an EDRP service period is to be terminated from the program. The participant is not eligible to receive an education debt reduction payment for the service period in which the rating occurred or for any subsequent service periods covered by the EDRP award.

16. PROGRAM ANNOUNCEMENT

a. Announcements publicizing opportunities for employees to compete for education debt reduction awards must be prominently displayed at each facility through an open continuous announcement. At a minimum, this announcement should include the following information about the program:

- (1) The specific health professions that are covered by the facility under EDRP.
- (2) The eligibility requirements for participation in EDRP;
- (3) The selection criteria;
- (4) The application process;
- (5) The name, routing symbol, and telephone number of the local Program Coordinator; and
- (6) A statement emphasizing that the final decision on an EDRP award is contingent on the availability of EDRP funds, since the overall program funding process is centralized.

b. It is imperative that the loan repayment opportunities identified in the local program announcement:

- (1) Are directly related to occupations for which the facility or VISN has identified current or anticipated health care staffing needs.
- (2) Are consistent with national program direction.
- (3) Reflect the facility's or VISN's commitment to use EDRP to meet its health care staffing needs.

17. APPLICATION PROCESS

Employees who are interested and eligible to participate in EDRP are encouraged to apply. Each candidate must complete an EDRP application and submit it to the local Program Coordinator. The applications of candidates that are recommended for awards by facilities and VISNs are to be forwarded to HCSDRO for final review and approval; as soon as local processing has been completed.

18. SELECTION PROCESS

Selections for participation in EDRP are made at the local level. Facility Directors must:

- a. Identify appropriate specific selection criteria consistent with EDRP requirements, education, and training priorities.
- b. Ensure that selections are based on merit without regard to race, creed, color, national origin, sex, age, or disability.

19. ACCEPTANCE OF CONDITIONS

A decision to provide an education debt reduction award under EDRP cannot be finalized until an official Acceptance of Conditions form is first signed by the employee and then accepted and signed by the Under Secretary for Health, or designee.

20. REPORTING REQUIREMENTS

a. HCSDRO evaluates program effectiveness and prepares required reports for the Under Secretary for Health. These reports include the number of new and continuing EDRP participants by occupation per fiscal year at the national, VISN, and local facility levels as well as other pertinent information necessary to assess the impact of EDRP on recruitment and retention. Additionally, HCSDRO prepares an annual report on VA's Educational Assistance Programs as required by 38 U.S.C Section 7632.

b. Facilities must provide initial and annual reports on local utilization of EDRP as required. These reports must be filed electronically over the Intranet.

21. DEFINITIONS

a. **Acceptable Level of Performance.** A performance rating of fully successful or a proficiency rating of satisfactory constitutes an acceptable level of performance for an EDRP participant. A participant who receives a performance rating of less than fully successful, or a proficiency rating of less than satisfactory during an EDRP service period, is not eligible to receive an education debt reduction award.

b. **Acceptance of Conditions Form.** This document specifies the terms and conditions of an EDRP award. An EDRP award is consummated after it is first signed by the EDRP candidate and then by the Under Secretary for Health, or designee.

c. **Commercial Loan.** A loan made by a bank, credit union, savings and loan association, insurance company, school, or other financial or credit institution that is subject to examination and supervision in their capacity as lenders by an agency of the United States and/or of the State in which the lender has its principal place of business.

d. **Eligible Employee.** An employee must meet specific eligibility requirements to participate in EDRP. To be eligible for participation, an employee must:

(1) Be a recently appointed employee in VHA serving in one of the following positions:

(a) Physician,

(b) Dentist,

(c) Podiatrist,

(d) Pharmacist,

(e) Licensed practical and/or vocational nurse,

(f) Expanded-function dental auxiliary,

(g) Registered nurse,

- (h) Certified registered nurse anesthetist,
- (i) Physician assistant,
- (j) Optometrist,
- (k) Physical therapist,
- (l) Occupational therapist,
- (m) Certified respiratory therapy technician,
- (n) Registered respiratory therapist,
- (o) Psychologist,
- (p) Social worker,
- (q) Nuclear medicine technologist,
- (r) Dietitian,
- (s) Occupational therapy assistant,
- (t) Physical therapy assistant,
- (u) Medical technologist,
- (v) Diagnostic radiologic technologist,
- (w) Therapeutic radiologic technologist,
- (x) Medical instrument technician,
- (y) Pharmacy technician,
- (z) Audiologist,
- (aa) Speech pathologist,
- (bb) Orthotist or prosthetist,
- (cc) Medical records administrator and specialist,
- (dd) Prosthetic representative,
- (ee) Medical records technician, and

(ff) Biomedical engineer.

(2) Owe any amount of principal and interest on a qualifying loan, the proceeds for which were used by or on behalf of that individual to pay costs relating to a course of education or training which led to a degree that qualified the individual for the position referred to in subparagraph 21d(1).

e. **Qualifying Loan.** A government or commercial loan for actual costs paid for tuition, reasonable educational expenses, and reasonable living expenses related to earning a degree in specified occupations. Such a loan must have documentation that is contemporaneous with the training received in a health professions school. If a health professions educational loan is refinanced, the original documentation of the loan must be submitted to the Under Secretary for Health in order to establish the contemporaneous nature of such a loan.

f. **Reasonable Living Expenses.** Expenses related to maintaining a basic standard of living, i.e., for food, shelter, utilities, and commuting. ***NOTE: Luxury items, such as cable television, alcoholic beverages, etc., do not qualify under this definition.***

g. **Recently Appointed.** An individual is recently appointed to a position, if the individual has held that position for less than 6 months.

h. **Service Period.** The period of time that an EDRP participant must serve in a paid duty status in order to receive an education debt reduction payment. A service period is typically 12 months. Payments are made at the conclusion of a service period. A participant in the program may not receive debt reduction payments for more than five, consecutive 12-month periods of service in a paid duty status. The first, and in some cases the only, service period begins on the day after an EDRP Acceptance of Conditions form is consummated. Participants are ineligible to receive debt reduction payments any time that they are in a non-pay status. A service period will be extended for time that a participant spends in a non-pay status since that time must be made up with paid service before an education debt reduction payment is made to the participant.

22. REFERENCES

- a. Title 38 U.S.C. Sections 501, 512, 7421, and 7681 - 7683.
- b. VHA Directive 1020, Employee Incentive Scholarship Program.
- c. VHA Handbook 1020.1, Employee Incentive Scholarship Program.
- d. VHA Handbook 1020.2, National Nursing Education Initiative.
- e. Public Law 105-368.
- f. Public Law 107-135.

**VA FORM 10-0394, EDUCATION DEBT REDUCTION PROGRAM (EDRP)
APPLICATION**

Below is an embedded copy of Department of Veterans Affairs (VA) Form 10-0394. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

You should use Adobe Acrobat 5.5 or later to view this form. To print this form, your printer must be set to “print as image” and “fit to page.”



10-0394.pdf



EDUCATION DEBT REDUCTION PROGRAM (EDRP) APPLICATION

NOTE: Print or Type all entries in Sections 1 and 2

The VA is asking you to provide the information on this form under the authority of 38 U.S.C. 7601-7604 and U.S.C 7681-7683 in order for VA to determine your eligibility to receive an education debt reduction payment award. VA may disclose the information that you put on the form as permitted by law. VA may make a "routine use" disclosure of the information for: civil or criminal law enforcement; congressional communications; the collecting of money owed to the United States; litigation in which the United States is a party or has an interest; the administration of VA training, scholarship and education debt reduction programs, including verification of your eligibility to participate; and personnel administration. You do not have to provide this information to VA, but if you do not, VA will be unable to process your request for an education debt reduction award. If you give VA your social security number, VA will use it to obtain information relevant to determine whether to grant an education debt reduction award, and to administer your education loan repayment, if awarded. It also may be used for other purposes authorized or required by law.

SECTION 1 - GENERAL IDENTIFICATION INFORMATION

1. FACILITY NAME		2. FACILITY NUMBER	
3. LAST NAME	4. FIRST NAME		5. MIDDLE INITIAL
6. SOCIAL SECURITY NUMBER	7. WORK PHONE (Include area code)		8. HOME PHONE (Include area code)
9. VA EMPLOYMENT STATUS (Check only one:) <input type="checkbox"/> FULL-TIME <input type="checkbox"/> PART-TIME (Specify number of hours per annum _____)	10. CODES	10A. OCCUPATIONAL SERIES CODE	10B. TITLE CODE 10C. ASSIGNMENT CODE
11. CURRENT JOB TITLE			
12. CURRENT GRADE		13. DATE APPOINTED TO CURRENT POSITION	
14. NAME OF RATING OFFICIAL		14A. OFFICIAL'S WORK PHONE (Including area code)	
15. DEGREE OBTAINED FOR WHICH EDRP FUNDING IS SOUGHT. PLEASE SPECIFY (BSN, MS, PharmD, MD, PhD, etc.):			16. DEGREE FIELD (Major)
17. SCHOOL NAME AND LOCATION			
18. AWARD AMOUNT REQUESTED: TOTAL AMOUNT _____ (Maximum \$44,000 for 5 years of service)* SERVICE PERIOD 1 AMOUNT _____ (maximum \$6,000)* SERVICE PERIOD 4 AMOUNT _____ (maximum \$10,000)* SERVICE PERIOD 2 AMOUNT _____ (maximum \$8,000)* SERVICE PERIOD 5 AMOUNT _____ (maximum \$10,000)* SERVICE PERIOD 3 AMOUNT _____ (maximum \$10,000)* (*For more detail, refer to Paragraphs 7 and 8 in VHA Handbook 1021.1, Education Debt Reduction Program or contact your EDRP Program Coordinator.)			

SECTION 2 - AUTHENTICATION

As a candidate for an EDRP award, I certify the accuracy of the information furnished above and understand that I must submit a fully completed, signed and dated VA Form 10-0394a, EDRP Education Loan Verification Form to my EDRP Coordinator before a final decision will be made on my application.

SIGNATURE OF EMPLOYEE			DATE				
I hereby certify that I have reviewed this application and appropriate supporting documentation and recommend the applicant named above for participation in the Education Debt Reduction Program. Further, I recommend that the award be for the amount(s) specified below and that this recommendation is consistent with the law and applicable VHA policy. (Check each recommended service period for coverage and the related award amount.)							
	Date Begins	Date Ends	Award Amount		Date Begins	Date Ends	Award Amount
Service Period 1	_____	_____	_____	Service Period 4	_____	_____	_____
Service Period 2	_____	_____	_____	Service Period 5	_____	_____	_____
Service Period 3	_____	_____	_____				
SIGNATURE OF DIRECTOR OR DESIGNEE			DATE				

**VA FORM 10-0394a, EDUCATION DEBT REDUCTION PROGRAM (EDRP) LOAN
VERIFICATION FORM**

Below is an embedded copy of Department of Veterans Affairs (VA) Form 10-0394a. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

You should use Adobe Acrobat 5.5 or later to view this form. To print this form, your printer must be set to “print as image” and “fit to page.”



10-0394A.pdf

**EDUCATION DEBT REDUCTION PROGRAM
EDUCATION LOAN VERIFICATION FORM**

The VA is asking you to provide the information on this form under the authority of 38 U.S.C. 7601-7604 and U.S.C 7681-7683 in order for VA to determine your eligibility to receive an education debt reduction payment award. VA may disclose the information that you put on the form as permitted by law. VA may make a "routine use" disclosure of the information for: civil or criminal law enforcement congressional communications the collection of money owed to the United States, litigation in which the United States is a party or has an interest; the administration of VA training, scholarship and education debt reduction programs, including verification of your eligibility to participate; and personnel administration. You do not have to provide this information to VA, but if you do not, VA will be unable to process your request for an education debt reduction award. If you give VA your social security number, VA will use it to obtain information relevant to determining whether to grant an education debt reduction award, and to administer your education loan repayment, if awarded. It also may be used for other purposes authorized or required by law.

As an applicant, you are applying for an educational assistance award under the Department of Veterans Affairs (VA), Education Debt Reduction Program (EDRP) that is offered in accordance with provisions of Public Law 105-368. It is important that the financial information you provide be promptly returned to the local EDRP Program Coordinator.

1. NAME OF APPLICANT		2. SOCIAL SECURITY NUMBER	
3. NAME OF LENDING INSTITUTION AND/OR FEDERAL/STATE PROGRAM			
3A. ADDRESS			
4. DATE OF LOAN	5. ACCOUNT NUMBER	6. ORIGINAL AMOUNT OF LOAN	7. CURRENT BALANCE
8. DATE OF BALANCE	9. PAYMENT AMOUNT	10. NUMBER OF PAYMENTS MADE	
11. IS LOAN IN DEFERMENT? (<i>Deferment refers to postponement of payment and interest until a specified date as agreed upon by lender</i>) <input type="checkbox"/> YES <input type="checkbox"/> NO		12. DATE DEFERMENT ENDS	13. GIVE ANNUAL PERCENTAGE RATE (APR) %
14. PURPOSE OF THE LOAN AS INDICATED ON THE LOAN APPLICATION			
15. Has your loan been sold or transferred to another lender? If so, please provide the following:			
15A. NAME OF LENDER		15B. ACCOUNT NUMBER	
15C. ADDRESS		15B. TELEPHONE NUMBER	
16. HAS YOUR LOAN BEEN REFERRED TO A COLLECTION AGENCY OR PLACED IN DEFAULT STATUS BY YOUR LENDER? <input type="checkbox"/> YES <input type="checkbox"/> NO			
FOR CONSOLIDATION OF UNDERGRADUATE AND GRADUATE EDUCATIONAL LOANS:			
If you have consolidated your loans for undergraduate and graduate courses, you must attach a copy of the loan documents for health professions education costs that were consolidated into a new loan. The EDRP pays for education costs for only one health professions degree, and determination will be made of the proportion of the consolidated loan that will be paid for successful applicants.			
Warning: Any person who knowingly makes a false statement or misrepresentation in this loan repayment transaction, bribes or attempts to bribe a Federal Official, fraudulently obtains repayment for a loan under this statute, or commits any other illegal action in connection with this transaction is subject to a fine or imprisonment under Federal statute. I have read this statement and understand its contents.			
17. CERTIFICATION BY APPLICANT			
I hereby certify to the accuracy of the above information and I apply to enter into an agreement with the Under Secretary for Health for an EDRP award to reduce the amount of principle and interest owed on the education loan listed on this form. I attest that my health educational loan was incurred solely for the purpose of paying for the costs of my education, and reasonable living expenses while attending school to obtain a degree in the following health profession: (<i>Please specify</i>). _____			
SIGNATURE OF APPLICANT (<i>Please sign full name in ink</i>)			DATE
18. LENDING INSTITUTION			
I understand to the best of my knowledge that the loan identified above is a legally enforceable commercial, state, or government educational loan and its purpose was to pay for the borrower's cost of completing a degree in the health profession specified in section 17 above.			
SIGNATURE		TITLE	DATE

**VA FORM 10-0394b, EDUCATION DEBT REDUCTION PROGRAM (EDRP)
ACCEPTANCE OF CONDITIONS**

Below is an embedded copy of Department of Veterans Affairs (VA) Form 10-0394b. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

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10-0394B.pdf



SECTION A - The Department of Veterans Affairs (VA) Education Debt Reduction Program (EDRP) is administered under authority of Title 38, United States Code, Section 7601-7604 and Section 7681 -7683.

SECTION B - Obligations of the Under Secretary for Health. Subject to availability of funds appropriated by the Congress of the United States for the EDRP the Under Secretary for Health agrees to:

1. Provide the undersigned employee with the EDRP award specified in Section E as authorized by 38 U.S.C. 7681-7683.
2. Ensure that each employee selected to participate in the EDRP is an eligible employee who as of the date on which the employee submits an application for participation in the EDRP has been appointed to an authorized position for less than six months.

SECTION C - Obligation of the Employee. In consideration of payment under the EDRP, the employee agrees to:

1. Accept the EDRP award provided by the Under Secretary for Health under Sections B1 and E of this form.
2. Maintain an acceptable level of performance in the position for which the award was authorized for the period(s) of service specified in Section E.
3. Notify the Program Coordinator in writing, of any of the following changes within 10 working days: name, address, telephone number, and employment status.
4. Immediately notify the Program Coordinator when the education loan balance is completely liquidated.
5. Ensure that EDRP Program Officials have access to loan documents and related information necessary to assess the authenticity of the education debt, the amount of outstanding principal and interest and records of payments of principal and interest on the qualifying loan(s).

SECTION D - Early Termination of EDRP participation:

1. If a participant vacates the health care professional position for which an education debt reduction award is authorized before fully completing a 12-month period of paid service under an EDRP acceptance of conditions, the amount of the authorized payment will decrease to reflect a proportionate reduction for the time that was not served for that period. No payments will be authorized for subsequent periods covered under the acceptance of conditions, even if the candidate returns to the position for which the award was authorized.
2. A participant who is separated due to a staffing adjustment before completing a service period covered under EDRP acceptance of conditions shall receive a prorated payment based on the proportion of time serviced in a paid duty status to the total time in the service period. No payments will be authorized for subsequent periods covered under the acceptance of conditions.
3. In cases when it is considered to be in the best interest of VA to reassign an employee to a position that is not covered by the EDRP, the participant will be entitled to reimbursement as specified in Section D2.
4. A participant who receives a performance rating of less than fully successful or a proficiency rating of less than satisfactory during an EDRP service period will be terminated from the program. The participant will not be eligible to receive an education debt reduction payment for the service period in which the rating occurred or for any subsequent service periods covered by the EDRP award.

SECTION E - EDRP Award Amount. The participant is awarded EDRP payments for full-time/part-time duty in the amounts specified for the service periods below:

	Date Begins	Date Ends	Amount
Service Period 1	_____	_____	_____
Service Period 2	_____	_____	_____
Service Period 3	_____	_____	_____
Service Period 4	_____	_____	_____
Service Period 5	_____	_____	_____

A participant will receive an EDRP payment at the end of each applicable service period. A service period is equivalent to 12 months of consecutive service in a part-time or full-time paid duty status. The first service period begins on the day after an EDRP acceptance of conditions is consummated. If a participant is in a Leave Without Pay (LWOP) status during a service period, the period will be extended until the participant makes up the time on LWOP with paid service. The maximum award that a part-time participant may receive is prorated by the proportion of the participant's part-time hours to the hours of a full-time employee. The amounts specified above are the maximum award amounts that an employee may receive during a service period. In no case will a participant be entitled to receive debt reduction payment that exceeds the amount that they actually paid to reduce the principal and interest on the qualifying loan(s) during a service period.

SECTION F - General Provisions. The Under Secretary for Health or authorized representative must sign the Acceptance of Conditions form to consummate an EDRP award. The award becomes effective the day after the form is consummated. As an applicant for a debt reduction award, I agree to comply with the regulations issued by the Under Secretary for Health to implement the EDRP.

APPLICANT'S NAME (Print or Type)

APPLICANT'S SIGNATURE

DATE

SIGNATURE OF UNDER SECRETARY FOR HEALTH, VETERANS HEALTH ADMINISTRATION OR AUTHORIZED REPRESENTATIVE

DATE